Meeting of G-24

2278. SHRI PINAKI MISRA : Will the Minister of FINANCE be pleased to state :

(a) whether a meeting of Finance Ministers of G-24 developing countries was held in Washington in September, 1996;

(b) if so, whether the Ministers meet cautioned about application of conditionalities in the Government area;

(c) if so, the details thereof; and

(d) the subjects discussed therein and the decisions arrived at?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes Sir.

(b) and (c). Yes Sir. The Ministers of the Intergovernmental Group of Twenty-Four on International Monetary Affairs stressed that the Bretton Woods Institutions should proceed with extreme caution in the application of conditionalities in the governance area.

(d) At this meeting a number of subjects related to World Economic Outlook, IMF and World Bank were discussed. The Ministers stressed the need for strengthening IMF surveillance over industrial countries and the IMF's financial reforms. The Ministers noted the progress made on issues relating to the financing of Enhanced Structural Adjustment Facility of the IMF and welcomed the progress made by the Bretton Woods Institutions in the joint initiative for the heavily indebted poor countries. The Ministers expressed the concern over inadequate donor contribution to IDA-11 and stressed the need for official development assistance to developing countries.

[Translation]

Cement Corporation of India

2279. SHRIMATI CHHABILA ARVIND NETAM : Will the Minister of INDUSTRY be pleased to state :

(a) whether there is a proposal to handover some of the units of Cement Corporation of India located in Madhya Pradesh to the private sector;

(b) if so, the names of these units; and

(c) the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c). Since Cement Corporation of India (CCI) has been continuously incurring heavy losses, various remedial measures were considered by the Government. The feasibility of selling individual units has been one such step considered by the Government. Accordingly, CCI has invited global bids for joint venture/sale of some units including Akaltara and Mandhar in Madhya Pradesh.

[English]

Implications on Multilateral Agreement on Investment

2280. DR. MURLI MANOHAR JOSHI : Will the Minister of COMMERCE be pleased to state :

(a) whether Mr. Julius Nyrere, Former President of South Africa has written to our Government inviting attention to the implications of the proposed multilateral agreement on investment;

(b) if so, the details of the salient points made therein;

(c) whether the Government propose to initiate efforts for evolving a consensus among the developing countries on the MAI draft; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Mr. Julius K. Nyerere, Chairman of the South Centre, Geneva written to the Prime Minister on 2nd September, 1996 regarding the proposal of the developed countries that the foreign direct investment be liberalised and made subject to a global regime. He had sent a policy note on the subject prepared by the South Centre and stated that only on the basis of detailed national, regional and global studies could developing countries analyse the implications of such a regime. He has expressed the need for developing countries to work together on this issue.

(c) and (d). The Government has opposed any discussion on the issue of investment in the WTO at present and is of the view that the issue should first be analysed and discussed in UNCTAD so that the pros and cons thereof can be understood from the stand point of developing countries. The Government has also taken various steps for evolving consensus among the developing countries on this matter. These efforts include the holding of a preparatory official level meeting for the Singapore WTO Ministerial Conference in New Delhi with the participation of 13 other developing countries in September, 1996 and the issue of a joint statement by 8 developing countries including India made on the investment issue in the WTO in Geneva in October, 1996. The issue was also discussed during the G-15 Summit meeting at Harare and the need for prior consensus building in a forum like UNCTAD was endorsed.

[Translation]

Consumer Goods

2281. SHRI SHATRUGHAN PRASAD SINGH : Will the Minister of FINANCE be pleased to state the reasons for continuous increase in the prices of consumer goods

and the measures proposed to be taken by the Government to check this increase?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : The current uptrend in prices is observed mainly in foodgrains, especially in case of wheat whose price has increased very sharply because of fall in its production in the preceding year. The uptrend in price of rice has now begun to show moderation on the arrival of new crop. As for other esential commodities, such as sugar, groundnut oil, mustard old, Vanaspati, milk etc. the price rise during 1996-97 is quite modest. Some of the important steps taken to contain the inflationary rise in prices are :

(1) continuation of open market sale by FCI of rice and wheat.

(2) continuing OGL import policy for selected essential commodities such as sugar, edible oils, pulses and low fat milk powder at nil or reduced duty.

(3) import of edible oils on Government account for supply through PDS.

(4) strive to contain fiscal deficit in the budget for 1996-97 to 5 per cent of GDP.

(5) Containing monetary growth to 15.5-16.0 per cent in 1996-97 through prudent monetary policies.

(6) maintaining a liberal import policy, combined with reduction in import duties, for most commodities.

[English]

U.T.I.

2282. SHRI NAMDEO DIWATHE : Will the Minister of FINANCE be pleased to state :

(a) whether the performance of UTI in protecting the interests of small investors has been deteriorating for the last few years;

(b) if so, the details thereof and the reason therefor;

(c) whether several Members of Parliament and other professionals have also drawn the attention of Government in this regard;

(d) if so, the action taken by the Government thereon;

(e) the steps taken by the Government to ensure that the performance of UTI is reviewed by an independent high level expert committee;

(f) the steps taken for expeditious delivery of UTI certificates, to stop forthwith non-delivery of Certificate-divident-warrants due to wrong feeding of addresses in computers and to attend to the complaints of investors promptly, particularly in Delhi region; and

(g) the other measures proposed to be taken to

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). Government has no specific information on UTI's failure to protect the interests of small investors. However, the performance of UTI in general has been brought to the notice of Government from time to time.

(d) and (e). From July 1,1994 UTI has come under the regulatory purview of SEBI. All schemes of UTI floated after 1st July, 1994 require the approval of SEBI.

(f) The information is being collected and will be laid on the Table of the House.

(g) Restructuring of UTI to bring it in conformity with the regulations of SEBI is under discussion among SEBI, UTI and Government of India.

Indian Dues Towards Cuba

2283. SHRI VIJAY PATEL :
SHRI SULTAN SALAHUDDIN OWAISI :

Will the Minister of FINANCE be pleased to state :

(a) the amount of total dues owed by Cuba to India;

(b) whether efforts made both by the official machinery as well as the private trade to recover the dues have not succeeded;

(c) whether the Export Import Bank of India, the projects and equipments corporation besides host of small exporters have been adversely by effected as a result thereof;

(d) if so, the details thereof; and

(e) the measures proposed to be taken by the Government for early recovery of these dues?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (e). Total debt owed by Cuba to India is approximately Rs. 150 crores. Cuba's inability to repay this debt has affected trade between the two countries. For considering various options for removing the existing trade impediments including Cuban debt obligations, Indo-Cuban Trade Revival Committee has been set up under the aegis of Indo-Cuban Joint Commission. Among other issues, repayment of debt owed by Cuba to India came up for discussion at the recently concluded meetings of the Indo-Cuban Trade Revival Committee and the Indo-Cuban Joint Commission held in New Delhi. The Cuban side reiterated the difficulties faced by them in making the debt repayments and the difficulties in fulfilling commitments due to shortage of liquidity. At these meetings both sides agreed to resolve the problem of debt owed by Cuba to India keeping in view the various options available in this regard and to increase the trade between the two countries which would strengthen Indo-Cuban relationship.